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California Corporations Commissioner
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Deputy Commissioner
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7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) OAH No.: L-2006110069
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) File No.: 963-0873
14)
Complainant,) SETTLEMENT AGREEMENT
15)
16 vs.)
17 DEPENDABLE ESCROW CO.,)
18 Respondent.)
19)

20 This Settlement Agreement is entered into between Dependable Escrow Co. ("Dependable")
21 and the California Corporations Commissioner ("Commissioner"), and is made with respect to the
22 following facts:

23 **RECITALS**

24 A. Dependable is a corporation in good standing, duly formed and existing pursuant to
25 the laws of the State of California, and authorized to conduct business in the State of California.

26 B. Dependable currently holds escrow agent's license number 963-0873 with its
27 principal place of business located at 2001 W. Beverly Boulevard, Montebello, California 90604.
28

1 C. George R. Reyes is the president and owner of Dependable and is authorized to enter
2 into this Settlement Agreement on behalf of Dependable.

3 D. On May 18, 2006, Dependable was personally served with a Notice of Intention to
4 Issue Order Suspending Escrow Agent's License; Accusation and accompanying documents issued
5 by the Commissioner on May 16, 2006 ("Accusation"). Dependable has filed a Notice of Defense
6 with the Commissioner. The matter is currently scheduled for hearing on April 2-4, 2007.

7 E. It is the intention and desire of the parties to resolve these matters without the
8 necessity of a hearing and/or other litigation.

9 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth
10 herein, the parties agree as follows:

11 **TERMS AND CONDITIONS**

12 1. This Settlement Agreement is entered into for the purpose of judicial economy and
13 expediency, and to avoid the expense of a hearing, and possible further court proceedings.

14 2. Dependable hereby admits the allegations contained in the Accusation. Dependable's
15 admissions herein are solely for the limited purposes of this proceeding and any future proceeding
16 that may be initiated by or brought before the Commissioner against Dependable. It is the intent and
17 understanding between the parties that this Settlement Agreement, and particularly the admissions of
18 Dependable herein, shall not be binding or admissible against Dependable in any action(s) brought
19 against Dependable by third parties.

20 3. Dependable hereby agrees to the immediate issuance by the Commissioner of an
21 Order suspending the escrow agent's license of Dependable for a period of one week commencing
22 on Thursday, March 8, 2007 through Wednesday, March 14, 2007. In connection with the
23 suspension, Dependable shall file with the Commissioner at close of business the day immediately
24 preceding the date on which the suspension is to commence a list of all open escrows with escrow
25 numbers and escrow party names along with a copy of the signed escrow instructions and signed
26 deposit receipt(s) for the last opened escrow. For purposes of this Settlement Agreement, open
27 escrow shall mean an escrow wherein the parties to such escrow have already entered into a binding
28 agreement and monies and/or escrow instructions have been submitted to Dependable regarding the

transaction. Additionally, Dependable will be required to immediately engage its certified public accounting firm to review the records of Dependable after the suspension has been completed and report its findings regarding compliance with the suspension to the Department within 30 days of completion of the suspension period. The Commissioner reserves the right to audit Dependable for compliance with the suspension notwithstanding the findings of the CPA review. A copy of the suspension order is attached and incorporated as Exhibit A.

4. Dependable acknowledges its right to an administrative hearing under California Financial Code section 17608 in connection with the suspension, and hereby waives its right to a hearing, and to any reconsideration, appeal, or other rights which may be afforded pursuant to the Escrow Law, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection with this matter.

5. Dependable further agrees to an automatic revocation of its escrow agent's license, if it is found, after a hearing to be held before an Administrative Law Judge in accordance with the Administrative Procedure Act, California Government Code Sections 11500 et seq., that Dependable has at any time during the one-year period following the effective date of this Settlement Agreement, violated any of the statutes and/or rules set forth in the Accusation.

6. Dependable acknowledges and agrees that the revocation provided for above in paragraph 5 shall not be the exclusive remedy available to the Commissioner in pursuing future violations but may be sought and employed in addition to any other remedy available pursuant to the Escrow Law.

7. Dependable further agrees to pay to the Commissioner the sum of \$7,500.00 in penalties, which shall be paid in full within thirty (30) days of the date of execution of this Settlement Agreement.

8. The parties hereby acknowledge and agree that this Settlement Agreement is intended to constitute a full, final and complete resolution of the Accusation. The parties further acknowledge and agree that nothing contained in this Settlement Agreement shall operate to limit the Commissioner's ability to assist any other agency, (county, state or federal) with any prosecution, administrative, civil or criminal, brought by any such agency against Dependable based upon any of

1 the activities alleged in these matters or otherwise.

2 9. The Commissioner shall cause this Settlement Agreement to be filed with the Office
3 of Administrative Hearings within five days of its execution by all parties hereto.

4 10. Each of the parties represents, warrants, and agrees that it has received independent
5 legal advice from its attorney(s) with respect to the advisability of executing this Settlement
6 Agreement.

7 11. Each of the parties represents, warrants, and agrees that in executing this Settlement
8 Agreement it has relied solely on the statements set forth herein and the advice of its own counsel.
9 Each of the parties further represents, warrants, and agrees that in executing this Settlement
10 Agreement it has placed no reliance on any statement, representation, or promise of any other party,
11 or any other person or entity not expressly set forth herein, or upon the failure of any party or any
12 other person or entity to make any statement, representation or disclosure of anything whatsoever.
13 The parties have included this clause: (1) to preclude any claim that any party was in any way
14 fraudulently induced to execute this Settlement Agreement; and (2) to preclude the introduction of
15 parol evidence to vary, interpret, supplement, or contradict the terms of this Settlement Agreement.

16 12. This Settlement Agreement is the final written expression and the complete and
17 exclusive statement of all the agreements, conditions, promises, representations, and covenants
18 between the Parties with respect to the subject matter hereof, and supercedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings, and discussions
20 between and among the Parties, their respective representatives, and any other person or entity, with
21 respect to the subject matter covered hereby.

22 13. In that the parties have had the opportunity to draft, review and edit the language of
23 this Settlement Agreement, no presumption for or against any party arising out of drafting all or any
24 part of this Settlement Agreement will be applied in any action relating to, connected, to, or
25 involving this Settlement Agreement. Accordingly, the parties waive the benefit of California Civil
26 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
27 language of a contract should be interpreted most strongly against the party who caused the
28 uncertainty to exist.

1 14. This Settlement Agreement may be executed in one or more counterparts, each of
2 which shall be an original but all of which, together, shall be deemed to constitute a single
3 document.

4 15. Each signator hereto covenants that he/she possesses all necessary capacity and
5 authority to sign and enter into this Settlement Agreement.

6 Dated: 2/26/07

PRESTON DuFAUCHARD
California Corporations Commissioner

7
8 By _____
ALAN S. WEINGER
9 Lead Corporations Counsel

10
11 Dated: 2/21/07

DEPENDABLE ESCROW CO.

12
13 By _____
GEORGE R. REYES, President

14 APPROVED AS TO FORM:

15 DAVIS & DAVIS

16
17 By _____
18 M. STEPHEN DAVIS, Attorneys for
DEPENDABLE ESCROW CO.

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20 PRESTON DuFAUCHARD
21 California Corporations Commissioner

22 By _____
23 JUDY L. HARTLEY
24 Senior Corporations Counsel